

ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Insurer Name: Hanover American Insurance Company

NAIC Number: 088-36064

Name of Advisory Organization Whose Filing You Are Referencing Not Applicable

Co. Affiliation to Advisory Organization: Member _____ Subscriber _____ Service Purchaser _____

Reference Filing #: _____ Proposed Effective Date: 11/01/2005

Contact Person: Gisa Read

Telephone No: 517-540-4481

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Homeowners HO 2, 3 HO 4 HO 6	7.0% N/A N/A	5.2% N/A N/A					
TOTAL OVERALL EFFECT	6.9%	5.2%					

FILED

By bharrington at 8:52 am, 8/8/05

**PROPERTY & CASUALTY
ARKANSAS INSURANCE DEPARTMENT**

N Apply Loss Cost Factors to Future Filings? (Y or N)

17.2% Estimated Maximum Rate Increase for any Arkansas Insured (%)

-3.4% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History

Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio
2000	203	6.0% 11/01/2000	84	38	44.7%	61.9%
2001	311	8.9% 11/01/2001	162	68	42.1%	48.8%
2002	836	7.0% 11/01/2002	462	158	34.2%	58.2%
2003	1174	5.2% 11/01/2003	685	359	52.4%	46.3%
2004	1292	4.0% 11/01/2004	811	235	29.0%	74.9%

Selected Provision

A. Total Production Expense _____

B. General Expense _____

C. Taxes, License & Fees _____

Contingencies _____

E. Other _____

F. TOTAL _____

Allmerica Property/Casualty Companies
Arkansas Homeowners
Calculation of Expected Loss & LAE Ratio

Arkansas Homeowners - All Forms Combined							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>	<u>Selected Building Provision</u>	<u>Selected Condo/Tenant Provision</u>	<u>Selected All Forms Provision</u>
(1) Commission	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(2) Contingent Commission	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(3) General Expense / Other Acq.	11.1%	11.4%	11.3%	11.3%	11.3%	17.7%	11.4%
(4) Taxes, Licenses, and Fees							3.0%
(5) Reinsurance Provision							1.8%
(7) Profit and Contingency							5.8%
(8) TOTAL EXPENSES							39.1%
(9) EXPECTED LOSS & LAE RATIO							60.9%
(10) RATIO OF LAE TO LOSSES	11.7%	13.2%	13.0%	12.6%			13.0%

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